



# Trenton's Brownfields Cleanup Revolving Loan Fund Pilot Project

Outreach and Special Projects Staff (5105)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$1,000,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

## BACKGROUND

At one time, Trenton's vibrant manufacturing base provided more than 50,000 jobs. Today that number is fewer than 4,000. This dramatic reduction in jobs also left numerous vacant and abandoned industrial sites, a high level of poverty (18%), and disproportionate number of minority citizens clustered in low economic, and blighted neighborhoods. Using the U.S. EPA Assessment Demonstration Pilot, the city has more than 38 brownfields sites in some stage of planning, investigation, cleanup, or development.

In September 1997, EPA selected Trenton for a Brownfields Cleanup Revolving Loan Fund Pilot. Under this program, EPA provided the city with \$350,000 to capitalize its revolving loan fund. In September 1999 and September 2000, EPA supplemented the city's BCRLF with an additional \$150,000, and \$500,000, respectively, for a total BCRLF capitalization of \$1,000,000. The City has secured \$150,000 from the New Jersey Urban Enterprise Zone Assistance Fund for additional capital to support the BCRLF. This additional capital adds value and flexibility to the fund. The City will target its BCRLF loan for the cleanup of publicly owned properties in the designated redevelopment area.

## PILOT SNAPSHOT



*Trenton, New Jersey*

**Date of Announcement:**  
September 1997

**Amount:** \$1,000,000

**Profile:** At one time, Trenton's vibrant manufacturing base provided 50,000 jobs. Today, that number is fewer than 4,000. This reduction has led to many vacant and abandoned industrial sites, and a high level of poverty. The city is using the BCRLF funds to loan to itself to address properties in the targeted redevelopment area.

### Contacts:

City of Trenton  
(609) 989-3603

EPA Region 2 Brownfields Coordinator  
(212) 637-4314

Visit the EPA Region 2 Brownfields web site at:  
<http://www.epa.gov/r02earth/superfnd/brownfld/bfmainpg.htm>

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:  
<http://www.epa.gov/brownfields/>

## STRUCTURE OF THE BCRLF PROGRAM

The City of Trenton is the Lead Agency. The Redevelopment Entity is the loan recipient and is responsible for the redevelopment project. The head of the City Department of Finance is the Fund Manager. Trenton's Brownfields Coordinator, a city employee, will be the Site Manager.

The City's partnerships with the Brownfields Environmental Solutions for Trenton (BEST) and ISLES will continue to ensure ongoing community involvement.

## BCRLF LENDING TO YOURSELF

Trenton's City Council has approved two loans from the BCRLF. Under both loans, the city is "lending to itself." Trenton will lend the funds to the City's designated redevelopment entity as authorized by the New Jersey Redevelopment Act. After cleanup activities are completed, the fund will be reimbursed through the sale of the property to a private developer or other entity, or through a Payment in Lieu of Taxes (PILOT) agreement with the developer upon completion of the redevelopment. If, however, the property cannot be sold within 5 years of the completion of the cleanup, then the City will be obligated to make repayment through budget appropriations. In either case, repayment of the loan will be made in full not later than 15 years from the completion of the environmental cleanup. The obligation to repay the loan(s) is a legal obligation of the City and is not subject to revocation by subsequent action of the City's legislative bodies.

The New Jersey Redevelopment and Housing Law expressly authorizes New Jersey municipalities to exercise extensive and broad redevelopment powers and pursuant to this authority Trenton can serve as the Redevelopment Entity.

The City Council's role is to review documentation on individual sites for benefits to the City and potential for redevelopment in accordance with the Master Plan. It also authorizes loans from the BCRLF to the Redevelopment Entity and guarantees the loan by committing the City to the repayment of the BCRLF under conditions that have been specified in a Model Resolution.

When a developer uses a PILOT agreement to repay the BCRLF loan, the agreement must be entered into within 5 years of the completion of the cleanup and full payment will be made no later than 15 years from the completion of the cleanup. Repayment through PILOT agreements will be billed regularly by the City Tax Assessor.

The City is using a Model Resolution for each "lending to yourself" loan made with funds from the BCRLF. This Model Resolution, when approved by the City Council, serves as the enabling legislation or loan implementation plan for each funding action or BCRLF loan.

## TRENTON'S FIRST 'LENDING TO YOURSELF' LOAN

Trenton's first loan was made in June in the amount of \$275,000 to provide for cleanup of the Kramer site, a 6.5 acre industrial property. Trenton is using the BCRLF to promote redevelopment of the Kramer site. The City acquired the site through foreclosure in 1997. In 1998, the State Department of Environmental Protection (NJDEP) conducted a brownfields site assessment. Analysis of the samples indicated that surficial soils have been impacted with metals and semi-volatile organic compounds at concentrations above NJDEP Soil Cleanup Criteria. In addition, three groundwater samples contained at least one organic solvent at concentrations exceeding NJDEP Groundwater Quality Standards.

Planned cleanup activities at the site include capping of historic fill areas. Soil excavation and removal and/or capping is planned for localized areas of contamination that are not associated with historic fill areas. The BCRLF funds only will be used to address soil contamination at the site. Alternate funding sources will be used to address groundwater issues. Several redevelopment options are under consideration by the City.

## TRENTON'S SECOND 'LENDING TO YOURSELF' LOAN

Trenton's City Council approved a Model Resolution authorizing the City to a second BCRLF loan for \$150,000 to the City's designated Redevelopment Entity to provide for the cleanup of the Warren-Balderston Site, a 1.4 acre property.

The Warren-Balderston Site is an irregularly shaped parcel currently zoned for office/warehouse use. The site housed bakeries from 1908 to 1950. At this time it was acquired by Warren-Balderston, an equipment supply company. In 1963, the property again changed hands, and it was used as a packaging facility and plastic extrusion site for the Magic Marker Corporation. The site has been vacant since 1973. Historic fill is present on the site and contains heavy metals and organic contamination. The proposed clean-up plan for the site is for soil removal of the historic fill.

The Warren-Balderston site has several potential reuse options, including a new school, commercial/retail operations, or housing. Several developers have expressed interest in the site, but are unable to finance the cleanup without assistance. The BCRLF loan will enable the City of Trenton to clean the site, and then market it to the most viable developer, ensuring that the loan will be repaid through the sale of the property or through a payment in lieu of taxes agreement similar to the first Trenton BCRLF loan.

## CONTACTS

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For additional information, contact the RCRA/Superfund Hotline at: (800) 424-9346 or visit the EPA Brownfields website at:

<http://www.epa.gov.brownfields>

*Use of BCRLF funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.*